

FOR MORE INFORMATION

Tennessee Consolidated Retirement System (TCRS) Insurance Section

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Division of Insurance Administration

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This document is intended to provide a summary of eligibility requirements for the continuation of insurance coverage at retirement. For detailed information, please consult your agency's insurance preparer.

If you require this publication in an alternative format, please contact the DIA Communications Office at 615.741.8669.



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CONTINUING INSURANCE AT RETIREMENT

Local Education Plan

Tennessee Consolidated Retirement System (TCRS) Participants

CONTINUING INSURANCE AT RETIREMENT — LOCAL EDUCATION TCRS

Continuing Coverage at Retirement

All covered local education employees who meet the qualifications may continue medical insurance at retirement for themselves and covered eligible dependents (spouse and/or children). Retired employees may continue until they become eligible for Medicare by virtue of age. Covered dependents will also be allowed to continue coverage until they become eligible for Medicare by virtue of age or no longer qualify as eligible dependents. Participants who are eligible for Medicare may enroll in a Medicare Supplement Plan. For individuals to continue insurance benefits, the agency from which they retire must continue to participate in the local education plan.

A retiree whose spouse is also an eligible covered employee participating in one of the state sponsored plans may continue coverage as a dependent on the active spouse's contract instead of electing retiree coverage. When the spouse terminates employment, the retiree may resume coverage under their own eligibility if not yet eligible for Medicare due to age.

Individuals who choose a lump-sum retirement benefit are not eligible to continue insurance at retirement.

Individuals Not Eligible for Medicare

Service Requirements

Eligible retirees must have at least ten years of employment to continue insurance coverage. Accumulated unused sick leave may be counted. Military service that did not interrupt employment, educational leave, leave of absence, or service with a local government agency cannot be counted. A local education employee may include employment with the State of Tennessee or a state higher education institution to calculate total employment.

The eligibility guidelines for continuation of insurance coverage are as follows:

- Ten years of employment with the state or a participating local education agency **and** at least three years of insurance coverage in the plan immediately prior to retirement. The date of retirement must immediately follow the employee's date of final termination from employment.
- At least 20 or more years of employment with the state or a participating local education agency **and** at least one year of insurance coverage in the plan immediately prior to retirement. The period of time between the employee's final termination date and the retirement date may be up to five years.

The one-year and three-year participation requirement will be waived if the local education agency has not participated in the plan for that length of time.

Years of service applies to eligibility to retire, not necessarily toward premium reduction. State premium support is provided on teaching service only.

Application

Eligible employees who wish to continue insurance coverage after retirement should submit an Application for Continuation of Insurance with their retirement application to the Tennessee Consolidated Retirement System (TCRS). The application must be submitted within a full calendar month from the effective date of retirement.

If eligible retirees do not enroll within a full calendar month from the effective date of retirement, they may only re-enroll if they were on the medical insurance at the time they retired and were eligible to continue that coverage by their length of service, length of participation in the Plan and meet **one** of the following late applicant requirements.

- Be approved by medical underwriting by submitting a completed medical questionnaire.
- Meet a Special Enrollment Provision under the guidelines of the Health Insurance Portability and Accountability Act (HIPAA). Some qualifying events under HIPAA include loss of other group coverage due to death of spouse, divorce, termination of spouse's employment, legal separation, loss of eligibility, loss of TennCare, spouse's employer ceases total contribution toward health insurance, spouse's number of work hours required for insurance eligibility are reduced or they acquire a new dependent through marriage, birth or adoption. An Application for Special Enrollment by Qualifying Event must be completed and postmarked within 60 days of the loss of coverage or acquisition of the new dependent. Appropriate documentation must also be submitted.

Retiring employees must continue in the same health insurance option they were enrolled in immediately prior to retirement. Any retiree who is enrolled in a Health Maintenance Organization (HMO) or Point of Service (POS) option and moves outside the service area will be allowed to enroll in another option. Out-of-state retirees must enroll in the Preferred Provider Organization (PPO) option.

The state conducts an annual transfer period from October 15 through November 15. Changes made during this time become effective the following January 1. Retirees will receive notice each year concerning available options.

Premiums

Premiums are deducted from the monthly retirement benefit of retirees who receive a TCRS benefit. If the premium is greater than the retirement benefit, the retiree will be billed directly by the Division of Insurance Administration (DIA) each month or they can elect to pay by bank draft.

Claims

Retirees who continue their health coverage will use the same insurance identification card that was used while they were actively employed. Any questions regarding payment of claims should be directed to the insurance company.

Coverage for Dependents

Retirees may continue insurance coverage for a spouse and/or dependent child if the individuals were covered at retirement and are not eligible for Medicare Part A by virtue of age. Dependents may continue coverage as long as they meet plan eligibility requirements. Newly acquired dependents must be added to the plan within 60 days. Notify TCRS to add dependents to your coverage.

Upon the death of a retiree, a covered spouse or dependent will receive six months of free insurance coverage. Dependents of a deceased retiree may continue coverage only if they were covered by the plan upon the retiree's death **and** are not eligible for Medicare by virtue of age.

Disability Participants

Employees who qualify for disability retirement through TCRS may continue coverage if they participated in the local education plan at the time the injury or illness occurred and have five years of service. Upon eligibility for Part A of Medicare, disability participants and their eligible dependents may continue in the plan to the point at which Medicare eligibility would have been attained had the disability not occurred, provided the retired participant remains eligible for the disability allowance and Part B of Medicare is retained.

Retirees who continue participation in the local education plan and subsequently qualify for Medicare due to a disabling condition continue to be eligible for coverage until such time as they would have been eligible for Medicare by virtue of age.

Employees who are granted a service retirement but are also disabled must prove that total disability exists

at the time of retirement. Proof of total disability must be shown by submitting an Award Letter from the Social Security Administration or approval by the TCRS based on physician review of medical records documenting the disability. The required proof must show total disability existed at the time of termination of employment.

Medicare will be the primary coverage and the local education plan the secondary carrier. Coverage will terminate once the retiree or their dependents reach the normal age for Medicare Part A.

Dental Insurance

Employees who wish to continue dental benefits at retirement may continue through COBRA. Information is automatically sent upon cancellation of active coverage.

Individuals Eligible For Medicare

Medicare Supplement Program

Retirees and their dependents who are eligible for Medicare Part A may be eligible for one of the state's Medicare Supplement options. A brochure describing the plans available and the eligibility requirements can be obtained from your personnel office, by contacting TCRS, or by accessing the TCRS website.

Employees who are eligible for Medicare at retirement by virtue of age (or who have Medicare eligible dependents) should submit an Application for Medicare Supplement Programs with their retirement application to TCRS. Application for the Medicare Supplement plan of your choice must be made within 60 days of your effective date of retirement.

Retirees and their dependents who become eligible for Medicare by virtue of age after retirement will be sent an application approximately three months before the date of their Medicare eligibility. To enroll in the Medicare Supplement plan, retirees must submit an application to TCRS within 60 days of Medicare eligibility. Once the application has been approved, the

retiree will receive a card showing the subscriber's name, identification number and effective date.

Premiums for the Medicare Supplement plan are deducted from the monthly TCRS benefit. Retirees with 15 or more years of state and/or local education service are eligible to have a portion of their monthly premium paid by the state. The state does not contribute toward the cost of dependent coverage. Retirees whose premium is greater than their monthly benefit will be billed directly.

Upon the death of a retiree, the spouse or dependents may continue coverage on the Medicare Supplement plan if covered at the time of the retiree's death. Premiums will be deducted from any continuing monthly retirement benefits; otherwise, individuals will be billed directly.

End-Stage Renal Disease

Retirees eligible for Medicare as a result of end-stage renal disease should contact TCRS immediately.

Returning to Work

Group Health Insurance

Returning to full-time employment with an agency covered by TCRS may result in the termination of retiree group insurance coverage and the suspension of retirement benefits. TCRS should be contacted immediately when returning to active service.

Medicare Supplement

Retirees on a Medicare Supplement plan who return to full-time employment with a TCRS covered agency may continue insurance coverage on a direct-pay basis as long as they are not enrolled in the employer's group plan. TCRS should be contacted immediately when returning to active service.